

TAX TIPS FOR STEAM, GAS AND ELECTRIC COMPANIES DOING BUSINESS IN DELAWARE

Things You Should Know

Definitions, 30, Del. C., Ch 33

Steam, gas and electric companies who carry on the business of the manufacture or production of steam, gas or electricity for heat, light or power must obtain a business license from the Division of Revenue and pay the applicable gross receipts tax.

License and Gross Receipts Requirements

Steam, gas or electric manufacturers are required to obtain a business license for \$50 and which must be renewed annually on or before December 31st of each year. Additionally, every steam gas or electric manufacturer pays a fee of 1 mill (.001) on taxable gross receipts received from the sale of its product. Gross receipts includes total consideration received by the distributor for commodities or services sold, distributed, produced or supplied within this State to ultimate consumers or users. Consideration for goods sold or services rendered includes cash, checks, credit cards, gift certificates, travelers checks, money orders, barter, trade-ins, manufacturer's coupons and rebates and any other consideration of any kind.

Exemptions

Sales of gas and electric purchased for resale.

Sales of appliances and other equipment provided such sales are included in the gross receipts as a wholesaler or retailer.

Commodities and services furnished to this State, the United States, or to any of their instrumentalities, agencies (including public school districts, Delaware state University, and Delaware Technical and Community College), or political subdivisions; Delaware Transportation Authority and Delaware Housing Authority; University of Delaware; and Delaware Solid Waste Authority.

Consumption of gas, electric and steam commodities by residential consumers and users.

Consumption of gas and electric for a period of 36 months by a debtor in possession in a reorganization proceeding under Chapter 11 of the United States Bankruptcy Court.

Consumption of electricity used in electrolytic or electroarc thermal or air separation or automobile manufacturing. "Automobile manufacturing" means the assembly of automobiles and excludes the administrative operations of an assembly plant and the manufacture of component parts of an automobile outside an automobile assembly plant

Due Dates of Returns

The steam, gas and electric report and taxes are due the first Monday in May of each year.

Regulatory and Local Requirements

The Business License Issued by the Division of Revenue is not a regulatory license and the issuance of such license does not attest to the qualifications of the applicant to perform the activity described on such license. Many local jurisdictions have requirements for a business license and may have restrictions concerning the locations of conducting the referenced business activity. Please check with the local government office in the town, city or county in which you will conduct your business.

The State of Delaware also has a Public Service Commission which governs these utilities and can be reached at 861 Silver Lake Blvd., Suite 100, Dover, Delaware 19904, telephone number (302) 739-7247.

General

If you have any questions, please contact one of the following offices

<i>Wilmington</i>	<i>Dover</i>	<i>Georgetown</i>
Division of Revenue Carvel State Office Building 820 North French Street Wilmington DE 19801 (302) 577-8205	Division of Revenue Thomas Collins Building 540 South DuPont Highway Suite 2 Dover DE 19901 (302) 744-1085	Division of Revenue Suite 2 422 North DuPont Highway Georgetown DE 19947 (302) 856-5358

or by e-mail at: marilyn.brisco@state.de.us (302) 577-8269